Labour Market Notes

Labour market takes a step back

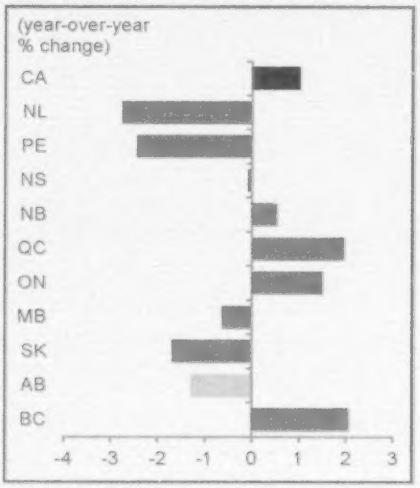
Alberta

- Employment falls in November. After three consecutive monthly increases Alberta's labour market gave back some of the gains in November. Employment decreased by 12,800 after adding 25,000 jobs over the previous three months. Despite the decline, Alberta's employment still remains above the July low. Employment was down 1.3% year-over-year (y/y) in November.
- Losses concentrated in the private sector. The private sector gave back nearly half of the gains achieved in October, losing 8,600 positions in November. Self-employment also experienced losses (-4,900) with a modest increase in the public sector. All the job losses occurred in full-time position (-13,600) with a modest gain in part-time positions.
- The goods sector reverses direction. After recent gains, employment in the goods-producing sector fell by 14,900 jobs, led by Construction (-10,900) and Forestry, Fishing, Mining, Oil and Gas (-4,000). Employment in the service sector increased as gains in Trade (+6,500) and Finance, Insurance and Real Estate (+1,600) offset weakness in Transport and Warehousing (-3,400) and Business, Building and Support Services (-3,400).
- Unemployment rate jumps to 9.0%. Alberta's unemployment rate increased 0.5 per cent to reach 9.0 per cent in November, the highest level since July 1994.
- Earnings remain soft. In September, average Weekly Earnings (AWE) declined a modest 0.3% from the previous month to $1,118 and were down 1.7% year-over-year. Earnings in the service sector remain particularly weak declining 1.8% overwhelming a 0.8% year-over-year increase in goods sector earnings.

Canada

- Employment in Canada continues to rise. Canadian employment increased for the fourth month in a row, up 10,700 in November. Gains in Ontario (18,900) and Quebec (+8,500) were offset by losses in Alberta (-12,800) and British Columbia (-9,300). Year-over-year, Canadian employment has risen by a decent 183,200 jobs, or 1.0%.
- National unemployment rate drops to 6.8%. The Canadian unemployment dropped 0.2 percentage points to 6.8% in November.
- Canadian earnings increase. Canadian average weekly earnings (AWE) totaled $957 in September, down 0.1% month-over-month. All province except Ontario, Saskatchewan and Alberta experienced monthly gains. Canadian earnings were up 0.4% year-over-year.

Employment Growth by Province, November 2016 vs. November 2015



Source: Statistics Canada

Alberta Labour Market Indicators

Indicator	Latest*
Employment	2,260,400
month-over-month change	-12,800
year-over-year % change	-1.3%
Alberta Unemployment Rate (UR)	9.0%
Edmonton UR**	6.8%
Calgary UR**	10.3%
Participation Rate	72.9%
Average Weekly Earnings (AWE)	$1,117.95
year-over-year % change	-1.7%
Average Hourly Wage	$29.61
year-over-year % change	+0.1%
Job Vacancy Rate***	1.5%

Source: Statistics Canada

* All data is from the November 2016 Labour Force Survey, except AWE which is the September 2016 Survey of Employment, Payrolls and Hours, and the Job Vacancy Rate is for August 2016.

** This indicator is calculated as a three-month moving average and is seasonally adjusted.

*** This indicator is calculated as a three-month moving average and is not seasonally adjusted.

Alberta Government

December 2016
Treasury Board and Finance
Economics and Revenue Forecasting

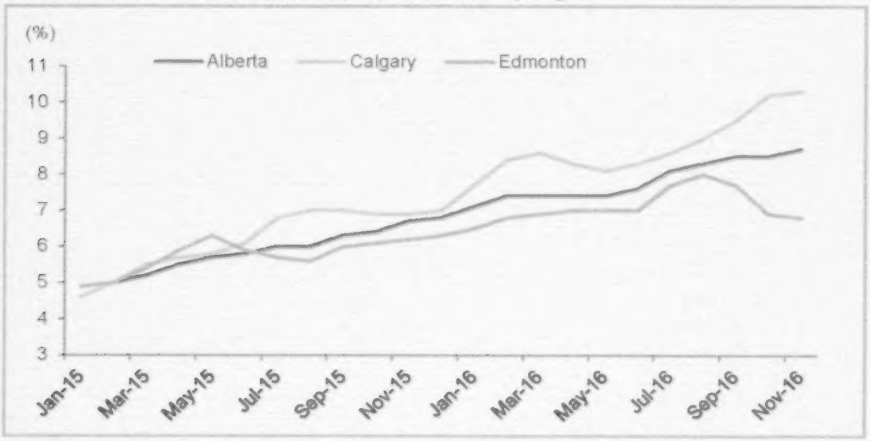
Unemployment rate elevated in Calgary

While all of Alberta has experienced a rise in their unemployment rates, the increase has been most pronounced in Calgary. This Labour Insight examines why Calgary's unemployment rate has risen more than in other areas of Alberta.

Calgary's labour market severely hit

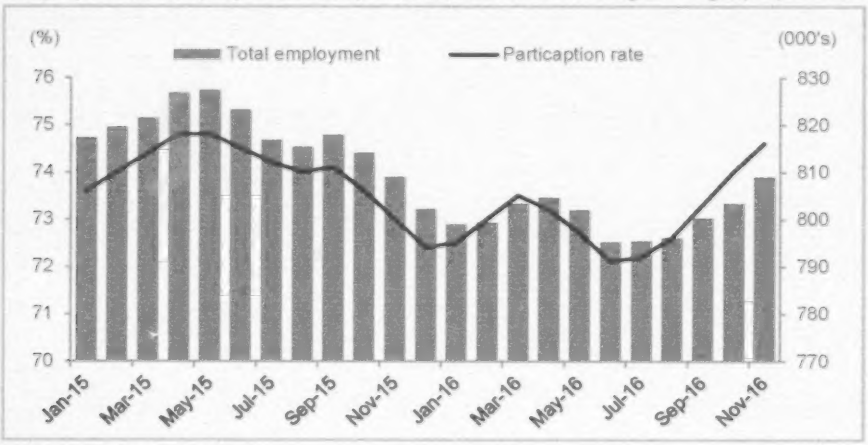
The slowdown in economic activity hit Calgary's labour market particularly hard. Calgary experienced over 32,000 job losses in the second half of 2015 into the first half of 2016. Year-to-date, Calgary's employment level is 2.2% lower than 2015, compared with an Alberta wide decline of 1.6%. Calgary's unemployment rate has increased 2.6 percentage points since January 2016 to 10.3% in November, significantly above the 1.6 percentage point increase provincially (Chart 1).

Chart 1: Calgary's unemployment rate has increased more than other regions
Seasonally adjusted (SA) unemployment rate by region



Source: Statistics Canada

Chart 2: Calgary's participation rate (part-rate) increases
Calgary's total employment and part-rate, 3 month moving average (SA)



Source: Statistics Canada

Participation rate spikes

Apart from weaker employment, a surge in the labour force participation rate (part-rate) has contributed to the recent increases in Calgary's unemployment rate. Initially, as employment conditions worsened Calgary's part-rate fell, buffering Calgary's unemployment rate. However, more Calgarians joined the labour force recently causing the part-rate to surge to 74.6% in November, from low of 72.1% in June 2016 (Chart 2). This surge has helped push Calgary's unemployment rate to its current high.

Population continues to grow

Calgary's expanding population has also put upward pressure on its unemployment rate. Calgary's working age population (those aged 15 years and older) continues to grow at over 1.5% year-over-year (y/y). Although this is a much slower pace than the approximate 4% y/y growth achieved prior to the recession, it is still outpacing growth in the rest of the province. Since the start of 2016, Calgary's working age population has increased by over 16,000 residents. The labour market has not been able to absorb the increasing population.

Modest rise in employment

Recently, Calgary has experienced a modest improvement with employment increasing by almost 14,000 jobs since the summer of 2016. Despite, this the unemployment rate remains elevated at around 10%.

Have a question or idea for Labour InSight? Send us an *email*.

Contact

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